



CABINET FOR ECONOMIC DEVELOPMENT

Matthew G. Bevin
Governor

Old Capitol Annex
300 West Broadway
Frankfort, Kentucky 40601
ThinkKentucky.com

Erik Dunnigan
Acting Secretary

MEMORANDUM

TO: KEDFA Members
FROM: Katie Smith, Executive Director
Office of Financial Services
DATE: August 17, 2016
SUBJECT: KEDFA Board Meeting

The Kentucky Economic Development Finance Authority's next regular board meeting is scheduled for **Thursday, August 25, 2016** at the Cabinet for Economic Development, Old Capitol Annex, 300 West Broadway in Frankfort. The meeting will convene at 10:00 a.m. (EDT) in the Board of Directors Conference Room.

If you have any questions, please feel free to contact our office at any time.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

Old Capitol Annex
Board of Directors Conference Room
300 West Broadway
Frankfort, Kentucky

AGENDA August 25, 2016

Call to Order
Notification of Press
Roll Call

Approval of Minutes

1. Minutes from the July 28, 2016, Regular KEDFA Board Meeting
2. Minutes from the August 17, 2016, Special KEDFA Board Meeting

Reports

- | | |
|--|-------------|
| 3. Approved / Undisbursed Loan Report | Don Goodin |
| 4. Financial Statements and Monitoring Reports | Katie Smith |

KEDFA IRB

Don Goodin

- | | |
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| 5. Masonic Homes Independent Living II, Inc. | Jefferson |
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KREDA (Title Transfer)

Bobby Aldridge

- | | |
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| 6. Carbide Products International, Inc. | Henderson |
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KREDA (Amendment)

Bobby Aldridge

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| 7. GGF Heritage Manufacturing, LLC | Russell |
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KJDA (Amendment)

Bobby Aldridge

- | | |
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| 8. GFS Central States, LLC | Bullitt |
|----------------------------|---------|

KBI (Amendment)

Bobby Aldridge

- | | |
|---------------------------|--------|
| 9. Altec Industries, Inc. | Hardin |
|---------------------------|--------|

KEIA Projects (Extension)

Bobby Aldridge

- | | |
|----------------------------------|----------|
| 10. American Howa Kentucky, Inc. | Woodford |
| A. O. Smith Corporation | Kenton |

KEIA Projects

11. Buffalo Trace Distillery, Inc.	Franklin	Anna Beth Bobbitt / Lynda Cunningham
12. Master Engineering, Inc. dba Piccola Manufacturing	Bullitt	Kristina Slattery / Lynda Cunningham
13. WITHDRAWN		

KBI Projects (Preliminary) & KEIA Projects

14. American Howa Kentucky, Inc.	Warren	Frank Tate / Michelle Elder
15. American Howa Kentucky, Inc.	Warren	
16. Gibbs Die Casting Corporation	Henderson	Frank Tate / Michelle Elder
17. Gibbs Die Casting Corporation	Henderson	
18. Hansens Aluminum, LLC	Henderson	Frank Tate / Michelle Elder
19. Hansens Aluminum, LLC	Henderson	
20. Lakeshore Equipment Company dba Lakeshore Learning Materials	Woodford	Lindsey Ransdell / Michelle Elder
21. Lakeshore Equipment Company dba Lakeshore Learning Materials	Woodford	
22. Carl Zeiss Vision Inc.	Boone	Kristina Slattery / Lynda Cunningham
23. Carl Zeiss Vision Inc.	Boone	
24. East Bernstadt Cooperage, LLC	Laurel	Joan Ward / Debbie Phillips
25. East Bernstadt Cooperage, LLC	Laurel	

KBI Projects (Preliminary)

26. Graf Brothers Flooring, Inc.	Greenup	Robyn Lee / Debbie Phillips
27. WITHDRAWN		
28. Brown & Brown of Kentucky, Inc.	Adair	Morgan Pierstorff / Lynda Cunningham
29. Statewide Mortgage, LLC	Jefferson	Alec Germond / Lynda Cunningham
30. Bed Wood and Parts, LLC	Christian	Frank Tate / Michelle Elder
31. CR Machine Shop, LLC	Hopkins	Frank Tate / Michelle Elder

KBI Projects (Extension)

32. PTC Seamless Tube Corp.	Christian	Michelle Elder
Accentf(x) LLC	Jefferson	
Filtrona Plastics LLC dba Alliance Plastics	Jefferson	
Thoroughbred Houseboats	Wayne	

KBI Projects (Final)

33. ISCO Industries, Inc.	Jefferson	Debbie Phillips
34. Maker's Mark Distillery, Inc.	Marion	
35. Park Community Credit Union, Inc.	Jefferson	

KSBTCTim Back

36. Copperhead Environmental Consulting Inc.	Garrard
Garret-Stotz Company	Jefferson
Industrial Choice Healthcare, PLLC	Marion
Inside Out Design, LLC	Franklin
Kendor Wood, Inc.	Graves
Nicole G. Freels, DPM, PSC	Fayette
Soundtech, Incorporated	Fleming
Visual Image Systems Company, LLC	Jefferson

IEIA Projects (Preliminary)Don Goodin

37. Lock 12 Hydro Partners, LLC	Estill
38. Lock 14 Hydro Partners, LLC	Lee

Closed Session

39.

Adjournment

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

BOARD MEETING

July 28, 2016

MINUTES

Call to Order

The Kentucky Economic Development Finance Authority (KEDFA) convened at 10:00 a.m. EDT on July 28, 2016, at the Cabinet for Economic Development, Old Capitol Annex, Board of Directors Conference Room, 300 West Broadway in Frankfort, Kentucky.

Notification of Press

Jean Hale, Chairman, received verification that the media had been notified of the KEDFA regular monthly board meeting.

Roll Call

Members Present: Jean Hale, Aubrey Hayden, Edwin King, Proxy for Secretary William M. Landrum, III, Tucker Ballinger, Dorsey Hall, Joe Kelly and Mike Vogt

Staff Present: Bobby Aldridge, Tim Back, Caroline Baesler, Anna Beth Bobbitt, Lynda Cunningham, Marlene Duffy, Chad Eames, Michelle Elder, John Enochs, Alec Germond, Don Goodin, Lisa Jones, Brandon Mattingly, Kylee Palmer, Debbie Phillips, Morgan Pierstorff, Lindsey Ransdell, Kristina Slattery, Katie Smith, Teresa Spreitzer and Frank Tate

Others Present: Moria Mulligan, Hurt, Deckard & May; Mike Herrington, Stites & Harbison; Jamie Brodsky, Stoll Keenon Ogden; Cathleen Webb and Yan Cao, Western Kentucky University Research Foundation; Steve Meredith, Meredith Machining, LLC; Liz Columbia, Office of Financial Management, Kentucky Finance & Administration Cabinet and Matt Yates, Louisville Forward.

Approval of Minutes

Chairman Hale entertained a motion to approve the minutes from the June 30, 2016 regular KEDFA board meeting.

Dorsey Hall moved to approve the minutes, as presented; Joe Kelly seconded the motion. Motion passed; unanimous.

Approved/Undisbursed Loan Report

Chairman Hale called on Don Goodin to review the Approved/Undisbursed Loan Report.

After review, the Authority accepted the report as presented.

Financial Statements and Monitoring Reports

Chairman Hale called on Katie Smith to review the financial statements and monitoring reports.

After review, the Authority accepted the statements and reports as presented.

High-Tech Pool Project

Chairman Hale called on staff to present a High-Tech Pool project to the Authority.

**Western Kentucky University Research Foundation, Inc.
Warren County**

**Chad Eames
Don Goodin**

Chad Eames stated the Western Kentucky University Research Foundation (WKURF) promotes projects, development of intellectual property and serves as the unaffiliated fiscal agent of most external funds from grants, contracts and cooperative agreements for the university. WKURF has partnered with other entities to conduct a one-year on-site test for the development of a Nano enzyme treatment for coal and combustion technology. The proposed project, could have a profound positive impact on Kentucky's coal industry and bring both combustion and emission efficiencies to coal burning power plants.

Mr. Eames introduced Cathleen Webb and Yan Cao and invited them to address the board regarding the project.

Mr. Goodin stated WKURF requested up to \$200,000 from the High-Tech Pool in the form of a grant for the project with funds disbursed on a reimbursement basis. WKURF will provide the Cabinet with semi-annual progress reports and a final report at the conclusion of the project.

Staff and the Executive Director, Office of Entrepreneurship recommended approval of the High-Tech Pool project.

After discussion, Mr. Hall moved to approve the staff recommendation, as presented; Mike Vogt seconded the motion. Motion passed; unanimous.

Economic Development Bond (EDB) Project (Amendment)

Chairman Hale called on Bobby Aldridge to present an EDB project amendment to the Authority.

**Corning Incorporated
Boyle County**

Mr. Aldridge stated Corning Incorporated requested an Amended and Restated Grant Agreement to reflect an extension of the First Compliance date from May 30, 2016 to May 30, 2019 and for the provision that the disbursement of grant proceeds be made performance based. Boyle County Fiscal Court provided written support of the request.

Staff recommended approval of the EDB amendment request.

Mr. Kelly moved to approve the staff recommendation, as presented; Aubrey Hayden seconded the motion. Motion passed; unanimous.

Kentucky Rural Economic Development Act (KREDA) Project (Amendment)

Chairman Hale called on Mr. Aldridge to present a KREDA project amendment to the Authority.

**NSU Corporation
Marion County**

Mr. Aldridge stated NSU Corporation requested an Amendment No. 2 to Financing Agreement to reflect a refinance of KREDA debt with a current KREDA lender "Nakagawa Sangyo Co. Ltd." retroactive to February 21, 2016 and extend the terms of the debt obligation and the KREDA incentives until January 31, 2017 (the maximum allowable term of the Agreement).

Staff recommended approval of the KREDA amendment request.

Tucker Ballinger moved to approve the staff recommendation, as presented; Mr. Vogt seconded the motion. Motion passed; unanimous.

Kentucky Business Incentives (KBI) Project (Amendment)

Chairman Hale called on Mr. Aldridge to present a KBI project amendment to the Authority.

A. Raymond Tinnerman Automotive, Inc. Fleming County

Mr. Aldridge stated A. Raymond Tinnerman Manufacturing, Inc. is requesting a First Amendment to Tax Incentive Agreement to reflect a company name and FEIN # change to A. Raymond Tinnerman Automotive, Inc. retroactive to January 1, 2016.

Staff recommended approval of the KBI amendment request.

Mr. Hayden moved to approve the staff recommendation, as presented; Mr. Ballinger seconded the motion. Motion passed; unanimous.

Kentucky Enterprise Initiative Act (KEIA) Projects (Extension)

Chairman Hale called on Mr. Aldridge to present the KEIA project extension requests to the Authority.

Mr. Aldridge stated 5 companies requested additional time to complete the projects and asked that all 5 be presented as one motion.

Company	County	Extension
Whitworth Tool, Inc.	Breckinridge	3 Month
Zoeller Company	Jefferson	6 Month
Belcan Engineering Group, Inc.	Fayette	12 Month
Kentucky Building Systems, LLC	Daviess	12 Month
US Chita Co., Ltd.	Marion	12 Month

Staff recommended approval of KEIA extension requests.

Mr. Hayden moved to approve the staff recommendation, as presented; Mr. Ballinger seconded the motion. Motion passed; unanimous.

KEIA Projects

Chairman Hale called on staff to present the KEIA projects to the Authority.

Power Truss, Inc. Graves County

**Frank Tate
Michelle Elder**

Frank Tate stated Power Truss, Inc. produces high-quality wood roof and floor trusses for the construction industry. The company also provides engineered wood products and hangers to meet its builders' needs. Power Truss plans to purchase new computerized and automated production equipment that will improve raw material utilization. To house the new equipment, the company plans to construct a building on its existing property.

Michelle Elder stated the project investment is \$1,625,000 of which \$550,000 qualifies as KEIA eligible costs.

Staff recommended approval of the KEIA approved recovery amount of \$25,000 for construction materials and building fixtures.

Mr. Vogt moved to approve the staff recommendation, as presented; Mr. Kelly seconded the motion. Motion passed; unanimous.

**United Parcel Service, Inc.
Fayette County**

**Morgan Pierstorff
Lynda Cunningham**

Morgan Pierstorff stated United Parcel Service, Inc. (UPS) is the world's largest package delivery company and global leader in supply chain services, offering an extensive range of options for synchronizing the movement of goods, information and funds. Headquartered in Atlanta, Georgia, UPS services more than 200 countries and territories worldwide and operates the largest franchise shipping chain, the UPS Store. UPS is considering the expansion of its Lexington Ground Hub. The expansion would allow for additional sorting automation necessary to maintain services for current and future growth of the Lexington area.

Lynda Cunningham stated the project investment is \$105,983,878 of which \$20,903,066 qualifies as KEIA eligible costs.

Staff recommended approval of the KEIA approved recovery amount of \$500,000 for construction materials and building fixtures.

Mr. Kelly moved to approve the staff recommendation, as presented; Mr. Ballinger seconded the motion. Motion passed; unanimous.

**Guess?, Inc.
Jefferson County**

**Kristina Slattery
Lynda Cunningham**

Kristina Slattery stated Guess?, Inc. has operated a distribution center in Louisville since January, 2000. The distribution center handles the majority of the receiving, warehousing, shipping and other services for its retail stores, department store customers and its direct to consumer Ecommerce business for the United States. The company is considering an expansion to the Louisville distribution center to accommodate future growth.

Ms. Cunningham stated the project investment is \$11,060,000 of which \$4,800,000 qualifies as KEIA eligible costs.

Staff recommended approval of the KEIA approved recovery amount of \$250,000 for construction materials and building fixtures.

Mr. Ballinger moved to approve the staff recommendation, as presented; Mr. Hayden seconded the motion. Motion passed; unanimous.

**Restaurant Supply Chain Solutions, LLC
Jefferson County**

**Kristina Slattery
Lynda Cunningham**

Ms. Slattery stated Restaurant Supply Chain Solutions, LLC is the largest purchasing cooperative in the quick-service restaurant industry. It is the exclusive supply chain management organization for Yum! Brands, Inc. and its three restaurant systems, KFC, Pizza Hut and Taco Bell. The company is considering the renovation of office space and technology at the project site.

Ms. Cunningham stated the project investment is \$3,500,000 of which \$2,100,000 qualifies as KEIA eligible costs.

Staff recommended approval of the KEIA approved recovery amount of \$125,000 for construction materials and building fixtures.

Mr. Vogt moved to approve the staff recommendation, as presented; Mr. Kelly seconded the motion. Motion passed; unanimous.

**Sazerac Distillers, LLC
Nelson County**

**Anna Beth Bobbitt
Lynda Cunningham**

Anna Beth Bobbitt stated Barton 1792 Distillery was established in 1879 and continues to be the oldest fully-operating distillery in Bardstown. The company is considering upgrades to processes, equipment and buildings to increase distillery production. By replacing the Dryhouse and equipment, it will increase capacity by 25% and handle projected production requirements up to year 2022.

Ms. Cunningham stated the project investment is \$15,300,000 of which \$975,000 qualifies as KEIA eligible costs.

Staff recommended approval of the KEIA approved recovery amount of \$50,000 for construction materials and building fixtures.

Mr. Hayden moved to approve the staff recommendation, as presented; Mr. Hall seconded the motion. Motion passed; unanimous.

KBI Projects (Preliminary) and KEIA Projects

Chairman Hale called on staff to present the KBI preliminary projects and KEIA projects to the Authority.

**Santa Rosa Systems, LLC
Bullitt County**

**Anna Beth Bobbitt
Lynda Cunningham**

Ms. Bobbitt stated Santa Rosa Systems, LLC (SRS) is a manufacturer of conveyor and automated sortation equipment. SRS fabricates and assembles equipment that is installed by its sister company, Material Handling Systems, Inc. SRS is considering the expansion of its facility in order to meet current as well as projected future demand.

Ms. Cunningham stated the project investment is \$16,155,000 all of which qualifies as KBI eligible costs and \$4,930,000 qualifies as KEIA eligible costs. The highest jobs target over the term of the agreement is 60 with average hourly wages of \$25.00 including benefits. The state wage assessment participation is 5.0%. The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval. The project will include multiple locations within Bullitt County. Only investment costs incurred at Landis Lane, Mt. Washington, KY, will be considered toward calculating eligible costs. Employees and their respective wages at the locations included in the project definition will be eligible for compliance.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$600,000 and approval of the KEIA approved recovery amount of \$250,000 for construction materials and building fixtures.

Mr. Ballinger moved to approve the staff recommendation, as presented; Mr. Hayden seconded the motion. Motion passed; unanimous.

Meredith Machinery, LLC
Jefferson County

Lindsey Ransdell
Michelle Elder

Lindsey Ransdell stated Meredith Machinery, LLC provides full-service integration of manufacturing machinery for the metal working industry. The company tailors basic "big box" machinery to a specific manufacturing process. The company is a full line machine tool distributor with engineering and integration capabilities, offers machine tools sales, replacement part and repair services, manufacturing process and system design engineering and automation manufacturing services to its customers. The company is considering the expansion and equipping of its existing location to meet the growing needs of its customers.

Ms. Ransdell introduced Steve Meredith and invited him to address the board regarding the project.

Ms. Elder stated the project investment is \$2,000,000 all of which qualifies as KBI eligible costs and \$720,000 qualifies as KEIA eligible costs. The highest jobs target over the term of the agreement is 10 with average hourly wages of \$24.00 including benefits. The state wage assessment participation is 3.0% and Louisville/Jefferson County Metro Government will participate at 1.0%. The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval. The project will include multiple locations within Jefferson County/Louisville. Only investment costs incurred at 2640 Technology Drive will be considered toward calculating eligible costs. Employees and their respective wages at the locations included in the project definition will be eligible for compliance.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$200,000 and approval of the KEIA approved recovery amount of \$40,000 for construction materials and building fixtures.

Mr. Kelly moved to approve the staff recommendation, as presented; Mr. Hall seconded the motion. Motion passed; unanimous.

Patriot Brands LLC
Henry County

Lindsey Ransdell
Michelle Elder

Ms. Ransdell stated Patriot Brands LLC, a start-up company, is considering the development of a craft distillery and visitor center on a 160-acre farm in Henry County. The company plans to manufacture distilled spirits, primarily bourbon. The project intends to combine the successful operational elements of urban bourbon tourism with an emphasis on the rural landscape and historical storytelling elements. The proposed project would include the construction of a distillery, manufacturing buildings and material processing.

Ms. Elder stated the project investment is \$5,075,733 of which \$4,568,233 qualifies as KBI eligible costs and \$3,582,536 qualifies as KEIA eligible costs. The highest jobs target over the term of the agreement is 15 with average hourly wages of \$19.00 including benefits. The state wage assessment participation is 3.0% and Henry County will participate with a refund of property tax up to \$5,000 per year for 10 years.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$200,000 and approval of the KEIA approved recovery amount of \$200,000 for construction materials and building fixtures.

Mr. Kelly moved to approve the staff recommendation, as presented; Mr. Vogt seconded the motion. Motion passed; unanimous.

KBI Projects (Preliminary)

Chairman Hale called on staff to present the KBI preliminary projects to the Authority.

Superb IPC, LLC Shelby County

**Alec Germond
Lynda Cunningham**

Alec Germond stated Superb IPC, LLC, headquartered in Shelbyville and established in 2009, is an industrial powder coating operation. The company is considering the expansion of its product/service to include supplying complete fabricated, coated and assembled products which would include constructing a 20,000 SF building to support all raw material receiving.

Ms. Cunningham stated the project investment is \$790,000 all of which qualifies as KBI eligible costs. The highest jobs target over the term of the agreement is 45 with average hourly wages of \$15.00 including benefits. The state wage assessment participation is 3.0% and Shelby County will participate at 1.0%. The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$300,000.

Mr. Ballinger moved to approve the staff recommendation, as presented; Mr. Hayden seconded the motion. Motion passed; unanimous.

Total Cart Management USA Inc. Boyle County

**Kristina Slattery
Lynda Cunningham**

Ms. Slattery stated Total Cart Management USA Inc. was created to provide retailers with a complete service program for shopping carts and material handling equipment. The company is considering locating in Kentucky, it's first U.S. operation, due to the centralized location.

Ms. Cunningham stated the project investment is \$955,000 of which \$505,000 qualifies as KBI eligible costs. The highest jobs target over the term of the agreement is 10 with average hourly wages of \$24.00 including benefits. The state wage assessment participation is 5.0%.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$150,000.

Mr. Vogt moved to approve the staff recommendation, as presented; Mr. Kelly seconded the motion. Motion passed; unanimous.

Clubessential LLC Kenton County

**Marlene Duffy
Debbie Phillips**

Marlene Duffy stated Clubessential LLC, based in Cincinnati, OH, is a leading provider of Software as a Service and is currently serving the private club market, resort market and semi-private and public golf facilities. Some services provided by the company include accounting, point-of-sale, website design and development and online reservations. The company is considering the relocation of its home office and headquarters operation to Covington.

Debbie Phillips stated the project investment is \$10,490,000 of which \$5,505,000 qualifies as KBI eligible costs. The highest jobs target over the term of the agreement is 40 with average

hourly wages of \$40.00 including benefits. The state wage assessment participation is 3.0% and the City of Covington will participate at 1.0%.

Staff recommended approval of the KBI final resolutions and tax incentive agreements and the authorization to execute and deliver the documents.

Mr. Hayden moved to approve the staff recommendation, as presented; Mr. Hall seconded the motion. Motion passed, unanimous.

Kentucky Small Business Tax Credit (KSBTC) Projects

Chairman Hale called on Tim Back to present the KSBTC projects to the Authority.

Mr. Back stated there are 6 Kentucky small businesses, from 5 counties with qualifying tax credits of \$42,000. The 6 businesses created 12 jobs and invested \$197,355 in qualifying equipment or technology. Mr. Back requested the following tax credits be presented as one motion:

Qualified Small Business	County	Beg. Emp.	Elig. Pos.	Average Hourly Wage	Qualifying Equipment or Technology	Tax Credit
Advance Feeding Systems, Inc.	McLean	42	4	\$ 13.96	\$ 29,164	\$ 14,000
Davis Gate Mfg, Inc.	Russell	13	2	\$ 12.95	\$ 8,650	\$ 7,000
MILA International, Inc.	Boone	12	1	\$ 11.33	\$ 6,238	\$ 3,500
Roger D. Shocklee	McLean	2	2	\$ 14.43	\$ 49,000	\$ 7,000
Ronald Kinmon	Grant	3	1	\$ 17.00	\$ 39,500	\$ 3,500
Town Branch Tree Experts, Inc.	Fayette	8	2	\$ 14.73	\$ 64,803	\$ 7,000
			12		\$ 197,355	\$ 42,000

Staff recommended approval of the tax credits.

Mr. Vogt moved to approve the staff recommendation, as presented; Mr. Hayden seconded the motion. Motion passed; unanimous.

Kentucky Angel Investment Act Program Project

Chairman Hale called on Mr. Back to present a Kentucky Angel Investment Act Program project to the Authority.

Mr. Back stated there is one Kentucky Angel Investment Act Program project for a total projected investment of \$100,000 with eligible tax credits of \$50,000. The investor will have 60 calendar days in which to make the planned investment and 20 calendar days from the investment date in which to submit proof of the investment before receiving the tax credit.

Qualified Small Business Qualified Investor(s)	County	Projected Investment	Tax Credit
<u>First Care Holding, LLC</u> Joey Jacobs	Laurel	\$ 100,000	\$ 50,000

Staff recommended approval of the proposed tax credit.

Mr. Hayden moved to approve the staff recommendation, as presented; Mr. Ballinger seconded the motion. Motion passed; unanimous.

Kentucky Collateral Support Program (KYCSP)

Chairman Hale called on Mr. Goodin to present the KYCSP request to the Authority.

Kentucky River Community Care, Inc.
Letcher County
Perry County

Mr. Goodin stated Kentucky River Community Care, Inc. is a non-profit mental health organization that serves Eastern Kentucky and has a number of offices throughout the region. The company was enrolled for a loan to purchase an office building in Letcher County in 2015. In May 2016, the company was enrolled for a second loan to purchase an office building in Perry County.

In reviewing the projects approved for KYCSP from the 4th Quarter 2015, it was found that Kentucky River Community Care, Inc. reported at closing 580.5 full time employees for all locations in Eastern Kentucky. Under the guidelines for the KYCSP which were approved by KEDFA, an eligible borrower including its affiliates and subsidiaries must have 500 or fewer employees at the time the loan is enrolled in the program. The KEDFA guideline is less than the federal guideline of 750 employees to be considered an eligible small business.

Staff recommended an exception to the policy to allow both loans to continue to be enrolled in the KYCSP.

After discussion, Mr. Ballinger moved to approve the staff recommendation, as presented; Mr. Kelly seconded the motion. Motion passed; unanimous.

KEDFA Loan

Chairman Hale called on Mr. Goodin to present the KEDFA loan request to the Authority.

Southeast Kentucky Industrial Development Authority, Inc.
Knox County

Mr. Goodin stated Southeast Kentucky Industrial Development Authority, Inc. was founded in 1999 to develop a 600 acre regional industrial park for the counties of Bell, Clay, Knox, Laurel, McCreary and Whitley. As a part of those development efforts, the industrial authority has built speculative industrial buildings to sell to potential clients.

At the June 30, 2016 meeting, KEDFA approved KBI tax credits for Northern American Sticks. The company plans to locate in a 57,590 square foot speculative building in the industrial park located on a 19 acre tract. The Industrial Authority requested a KEDFA loan of \$2,000,000 to build out the spec building to the requirements of North American Sticks and to make construction advances as work is completed.

The KEDFA guidelines state the maximum loan amount is not to exceed \$500,000 and that funds be disbursed upon closing when construction is complete. Staff requests an exception to the guidelines and recommends a loan amount of \$2,000,000 as well as approval to make construction advances as work is complete.

Staff recommended approval of the KEDFA loan request in the amount of \$2,000,000 at a rate of 2.0% over a 5 year term.

After discussion, Mr. Hall moved to approve the staff recommendation, as presented; Mr. Hayden seconded the motion. Motion passed; Tucker Ballinger abstained.

Other Business

Quarterly Kentucky Small Business Credit Initiative (KSBCI) Report

Chairman Hale called Mr. Goodin to review the Quarterly KSBCI Report ending June 30, 2016.

After review, the Authority accepted the report as presented.

Quarterly Amendment Report / Resolution

Chairman Hale called on Caroline Baesler to review the Quarterly Amendment Report ending June 30, 2016.

Ms. Baesler stated the Bylaws of the Board of Directors of KEDFA grant authority to the Executive Director of the Office of Financial Services to effectuate minor changes or modifications to existing agreements with approved companies that do not substantively modify contract terms.

Ms. Baesler noted the following amendments have been executed:

Kentucky Angel Investment Act Program

Venminder, Inc.

Letter Amendment to the Qualified Small Business Agreement dated December 17, 2015 for Venminder, Inc., due to a name change from Digital Comply, Inc., effective as of April 19, 2016, and dated for convenience May 13, 2016.

KBI

Faurecia Emissions Control Systems NA, LLC

Letter Amendment to KBI Tax Incentive Agreement dated May 31, 2012, for Faurecia Emissions Control Systems NA, LLC, due to a name change and an entity structure change from Faurecia Exhaust Systems, Inc., effective as of December 12, 2013, and dated for convenience June 27, 2016.

KEIA

Piramal Pharma Solutions Inc.

Letter Amendment to KEIA Agreement dated January 28, 2016, for Piramal Pharma Solutions Inc., due to a name change from Coldstream Laboratories Inc., effective as of April 1, 2016, and dated for convenience June 13, 2016.

KJDA

Zirmed, Inc.

Letter Amendment to KJDA Service & Technology Agreement dated June 28, 2007, for Zirmed, Inc., due to a change in lessor from Gateway Towers, LLC, to Zirmed Tower, LLC, effective as of March 28, 2014, and dated for convenience December 18, 2015.

KJDA

Zirmed, Inc.

Letter Amendment to KJDA Service & Technology Agreement dated December 15, 2005, and amended May 26, 2011, for Zirmed, Inc. due to a change in lessor from Gateway Towers, LLC, to Zirmed Tower, LLC, effective as of March 28, 2014, and dated for convenience December 18, 2015.

Staff recommended the Authority accept the Amendment Report and adopt the resolution to ratify the amendments.

Mr. Hayden moved to approve the staff recommendation, as presented; Mr. Ballinger seconded the motion. Motion passed; unanimous.

Adjournment

There being no further business, Chairman Hale entertained a motion to adjourn.

Mr. Hayden moved to adjourn the July KEDFA board meeting; Mr. Kelly seconded the motion. Motion passed; unanimous.

The meeting adjourned at 10:53 a.m.

PRESIDING OFFICER:



Jean Hale, Chairman



KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

SPECIAL MEETING

August 17, 2016

MINUTES

Call to Order

The Kentucky Economic Development Finance Authority convened at 10:00 a.m. EDT August 17, 2016, at the Cabinet for Economic Development, Old Capitol Annex, 300 West Broadway, Board of Directors Conference Room in Frankfort, Kentucky, for a special meeting to consider a Kentucky Business Investment (KBI) project in Kenton County. Other sites, via video conference, were Mazak Corporation, 6850 Industrial Road, Conference Room B in Florence, Kentucky and Community Trust Bank, Inc., 346 North Mayo Trail, 5th Floor Conference Room in Pikeville, Kentucky.

Notification of Press

Jean Hale, Chairman, received verification that the media had been notified of the KEDFA Special Board Meeting.

Roll Call

Members Present: Jean Hale, Aubrey Hayden, Edwin King, Proxy for Secretary William M. Landrum, Tucker Ballinger, Joe Kelly and Mike Vogt

Staff Present: Caroline Baesler, John Bevington, Marlene Duffy, Jack Mazurak, Debbie Phillips, Katie Smith and Teresa Spreitzer

Others Present: Curt Sizemore and Thomas McCoy, Community Trust Bank, Inc., Pikeville; Melissa Stewart, The Community Recorder, Ft. Mitchell; Jim McGraw, KMK Consulting Company, LLC, Cincinnati and Dan Tobergte, Tri-County Economic Development Corporation, Ft. Mitchell

KBI Project (Preliminary)

Chairman Hale called on staff to present a KBI preliminary project to the Authority.

CTI – Clinical Trial Services, Inc. Kenton County

**Marlene Duffy
Debbie Phillips**

Marlene Duffy stated CTI – Clinical Trial Services, Inc., provides therapeutic services to the pharmaceutical and biotechnology industry. The company is considering Covington for the relocation of its headquarters operation which would consolidate multiple locations and expand operations to accommodate growth.

Debbie Phillips stated the project investment is \$36,425,210 of which \$20,356,105 qualifies as KBI eligible costs. The highest jobs target over the term of the agreement is 500 with average hourly wages of \$40.00 including benefits. The state wage assessment participation is 3.0% and the City of Covington will participate at 1.0%. The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$14,000,000.

After discussion, Aubrey Hayden moved to approve the staff recommendation, as presented; Joe Kelly seconded the motion. Motion passed; unanimous.

Adjournment

There being no further business, Chairman Hale entertained a motion to adjourn.

Mr. Hayden moved to adjourn the KEDFA Special Board Meeting; Edwin King seconded the motion. Motion passed; unanimous.

The meeting adjourned at 10:05 a.m.

PRESIDING OFFICER:



Jean Hale, Chairman



Approved Undisbursed List
Jul-16

KEDFA LOANS

	Applicant	Form #	County	Date Approved	Commitment Expires	Amount	Jobs
1	City of Shepherdsville	21008	Bullitt	Apr-16	Apr-17	3,500,000	
2	Logan Corporation	21152	Magoffin	Jun-16	Jun-17	1,100,000	
3	Southeast KY Industrial Dev. Authority, Inc.	21185	Knox	Jul-16	Jul-17	2,000,000	

SMALL BUSINESS LOANS

	Applicant	Form #	County	Date Approved	Commitment Expires	Amount	Jobs
	None						

TOTAL COMMITMENTS 3	6,600,000
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KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
STATEMENT OF NET POSITION
7/31/2016

	FUND A	BOND FUND	Small Bus. Loan Pool	KEDFA 7/31/16	OOE 7/31/16	COMBINED 7/31/16
<u>ASSETS</u>						
Cash & Accounts Receivable						
Operating Account	166,778.21			166,778.21	0.00	166,778.21
Cash	3,378,941.51	14,188,018.38	394,651.08	17,961,610.97	0.00	17,961,610.97
High Tech Construction Pool	0.00	0.00	0.00	0.00	137,500.00	137,500.00
High Tech Investment Pool	0.00	0.00	0.00	0.00	3,082,378.72	3,082,378.72
High Tech LGEDF Pool	0.00	0.00	0.00	0.00	4,043.88	4,043.88
Investment Account	0.00	0.00	0.00	0.00	0.00	0.00
Accounts Receivable	0.00	0.00	0.00	0.00	0.00	0.00
Intergovernment Receivable	6,600,000.00	0.00	0.00	6,600,000.00	1,030,370.00	7,630,370.00
Total Cash & Accounts Receivable	10,145,719.72	14,188,018.38	394,651.08	24,728,389.18	4,254,292.60	28,982,681.78
Accrued Interest Receivable						
Loans	19,860.88	7,049.92	1.44	26,912.24	1,650.29	28,562.53
Investments	28.71	120.48	3.36	152.55	0.00	152.55
Total Accrued Interest Receivable	19,889.59	7,170.40	4.80	27,064.79	1,650.29	28,715.08
Notes Receivable						
Loans Receivable	18,003,039.64	1,685,877.88	1,932.17	19,690,849.69	93,143.00	19,783,992.69
(Allowance for Doubtful Accounts)	0.00	0.00	0.00	(1,159,163.61)	0.00	(1,159,163.61)
Total Notes Receivable	18,003,039.64	1,685,877.88	1,932.17	18,531,686.08	93,143.00	18,624,829.08
TOTAL ASSETS	28,168,648.95	15,881,066.66	396,588.05	43,287,140.05	4,349,085.89	47,636,225.94
DEFERRED OUTFLOWS OF RESOURCES				443,000.00	0.00	443,000.00
<u>LIABILITIES</u>						
Accrued Salaries & Compensated Absences				355,518.86	0.00	355,518.86
Accounts Payable				0.00	0.00	0.00
Intergovernment Payable				0.00	6,084.79	6,084.79
Grants Payable				0.00	0.00	0.00
Pension Liability				7,492,000.00	0.00	7,492,000.00
TOTAL LIABILITIES				7,847,518.86	6,084.79	7,853,603.65
DEFERRED INFLOWS OF RESOURCES				0.00	0.00	0.00
<u>NET POSITION</u>						
Beginning Balance				34,062,296.85	4,395,900.70	38,458,197.55
Current Year Undivided Profits				1,820,324.34	(52,899.60)	1,767,424.74
TOTAL NET POSITION				35,882,621.19	4,343,001.10	40,225,622.29

NOTE 1 The Small Business Loan Pool is presented separately only for internal tracking purposes.

NOTE 2 The Office of Entrepreneurship (OOE) operating transactions are no longer under the direction of KEDFA and are not reflected above.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
CONSOLIDATED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE MONTH ENDING AND FISCAL YTD July 31, 2016

	FUND A	BOND FUND	Small Bus Loan Pool	OOE FUND	FY 2015-2016 YEAR TO DATE	FY 2014-2015 YEAR TO DATE
Operating Revenues - KEDFA						
Interest Income/Loans	14,301.81	2,910.46	8.98	0.00	17,221.25	19,231.82
Interest Income/ Investments	28.71	120.48	3.36	0.00	152.55	153.68
Late Fees	0.00	0.00	0.00	0.00	0.00	32.40
Application Fees	33,862.98	0.00	0.00	0.00	33,862.98	12,410.00
Miscellaneous Income	19.35	0.00	0.00	0.00	19.35	18.11
Total Operating Revenues - KEDFA	48,212.85	3,030.94	12.34	0.00	51,256.13	31,846.01
Operating Expenses - KEDFA						
Salaries	134,271.04				134,271.04	142,575.54
Employee benefits	88,706.87				88,706.87	91,089.17
Pension Liability Adjustment	0.00				0.00	0.00
Other Personnel Costs	0.00				0.00	0.00
Contracted Personal Services	7,800.00				7,800.00	8,708.33
Utilities and Heating Fuels	0.00				0.00	0.00
Rentals	0.00				0.00	0.00
Maintenance and Repairs	0.00				0.00	0.00
Postage and Related Services	0.00				0.00	0.00
Telecommunications	0.00				0.00	0.00
Computer Services	0.00				0.00	0.00
Supplies	0.00				0.00	0.00
Miscellaneous Services	0.00				0.00	0.00
Travel	68.88				68.88	0.00
Miscellaneous Commodities	85.00				85.00	0.00
Commodities Expense	0.00				0.00	0.00
Bad Debt Expense	0.00				0.00	0.00
Grant Disbursement	0.00				0.00	0.00
Total Operating Expenses - KEDFA	230,931.79	0.00	0.00	0.00	230,931.79	242,373.04
Income (Loss) from Operations - KEDFA	(182,718.94)	3,030.94	12.34	0.00	(179,675.66)	(210,527.03)
Non-Operating Revenues (Expenses) - KEDFA						
Operating Transfer Out - General Fund	0.00				0.00	0.00
Transfer Due from Bonds	2,000,000.00				2,000,000.00	0.00
Grants Disbursed	0.00				0.00	0.00
Operating Transfer In - Economic Dev	0.00				0.00	0.00
Unrealized Gains/(Losses) on Investment	0.00				0.00	0.00
Realized Gains/(Losses) on Investment	0.00				0.00	0.00
Total Non-Operating Revenues (Expenses) -	2,000,000.00	0.00	0.00	0.00	2,000,000.00	0.00
CHANGE IN NET POSITION - KEDFA	1,817,281.06	3,030.94	12.34	0.00	1,820,324.34	(210,527.03)
Operating Revenues (Expenses) - OOE						
Interest Income - Loans				141.96	141.96	138.94
Misc Income				0.00	0.00	0.00
Disbursements: Projects (Note 1)				(50,000.00)	(50,000.00)	(528,462.00)
Repayments received from Projects				0.00	0.00	0.00
				0.00	0.00	0.00
Non-Operating Revenues (Expenses) - OOE						
Operating Transfer in - OOE				0.00	0.00	0.00
Transfer Due from Bonds				0.00	0.00	0.00
Operating Transfer Out - OOE				(3,041.56)	(3,041.56)	0.00
CHANGE IN NET POSITION - OOE	0.00	0.00	0.00	(52,899.60)	(52,899.60)	(528,323.06)
CHANGE IN NET POSITION - COMBINED	1,817,281.06	3,030.94	12.34	(52,899.60)	1,767,424.74	(738,850.09)

NOTE 1 Represents disbursements for projects from OOE Funds. (See OOE listings for detail of approved projects)

NOTE 2 Statement does not include interest income for OOE that is swept monthly to OOE's operating account

NOTE 3 The Small Business Loan Pool is presented separately only for internal tracking purposes.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
CASH POSITION STATEMENT
7/31/2016

	<u>7/31/2015</u>	<u>7/31/2016</u>
Fund A Cash Balance	\$3,710,034.69	\$3,378,941.51
Less: Loans Closed This Month	<i>INCLUDED IN BAL</i>	<i>INCLUDED IN BAL</i>
Less: Approved/Undisbursed	0.00	
Total Unobligated Balance	\$3,710,034.69	\$3,378,941.51
2003 Bond Fund Cash Balance	\$13,887,105.64	\$14,188,018.38
Less: Loans Closed This Month	0.00	
Less: Approved/Undisbursed	0.00	(6,600,000.00)
Total Unobligated Balance	\$13,887,105.64	\$7,588,018.38
Small Business Loan Fund Cash Balance	\$386,828.32	\$394,651.08
Less: Loans Closed This Month	0.00	0.00
Less: Approved/Undisbursed	0.00	0.00
Total Unobligated Balance	\$386,828.32	\$394,651.08
Bond Funds to be Provided for Loans	\$0.00	\$0.00
Less: Approved/Undisbursed	0.00	0.00
Total Unobligated Balance	\$0.00	\$0.00
Budget: Cash to be Transferred to Other CED Programs for	\$0.00	\$0.00
CASH AVAILABLE	\$17,983,968.65	\$11,361,610.97
OCI Fund Cash Balance		
High Tech Construction Pool	\$137,500.00	\$137,500.00
Less: Approved/Undisbursed	\$0.00	\$0.00
High Tech Investment Pool	\$3,344,898.93	\$3,076,293.93
Less: Approved/Undisbursed	(\$1,538,977.00)	(\$1,820,372.00)
LGEDF Pool	\$4,043.88	\$4,043.88
Less: Approved/Undisbursed	\$0.00	\$0.00
Bond Funds to be Provided for Approved Projects	\$1,380,370.00	\$1,030,370.00
Bond Funds Available for Projects	\$0.00	\$0.00
Total Unobligated Balance	\$3,327,835.81	\$2,427,835.81
TOTAL ALL FUNDS	\$21,311,804.46	\$13,789,446.78

**Kentucky Enterprise Initiative Act (KEIA) Projects
Fiscal 2017**

KEDFA Meeting date	8/25/2016
Total Projects Approved Fiscal Year-to-Date	8
Number of Proposed Projects for Current Month	8

Construction Materials and Building Fixtures

Fiscal Year Cap	\$20,000,000
Approved Fiscal Year-to-Date	\$1,440,000
Committed Amount	<u>\$0</u>
Balance Available for Current Month	\$18,560,000
Proposed Approval for Current Month	<u>\$2,256,000</u>
Balance Available for Remainder of Fiscal Year	<u><u>\$16,304,000</u></u>

Research & Development and Electronic Processing Equipment

Fiscal Year Cap	\$5,000,000
Approved Fiscal Year-to-Date	\$0
Committed Amount	<u>\$0</u>
Balance Available for Current Month	\$5,000,000
Proposed Approval for Current Month	<u>\$229,000</u>
Balance Available for Remainder of Fiscal Year	<u><u>\$4,771,000</u></u>

Office of Compliance, Financial and Administrative Services
Monthly Monitoring Report as of July 31, 2016

Financial Incentives Programs

Program	Projects Contacted	Projects Monitored	Defaults	Repayments	Completed Exhibits
KBI	85	65	0	0	13
IEIA	0	0	0	0	0
KEIA	18	0	0	0	3
KIDA	20	5	0	0	5
KJDA	3	5	0	0	0
KREDA	4	17	0	0	3
KIRA	0	0	0	0	0
KJRA	0	0	0	0	0
KIFA	0	10	0	0	0
KESA	0	0	0	0	0
KRA	3	4	0	0	1
KAIA	4	14	0	0	0
TIF	13	16	0	0	0
Totals	150	136	0	0	25

Cash Based Programs

Program	Projects Contacted	Projects Monitored	Defaults	Repayments	Completed Exhibits
HTP	4	4	0	0	0
Direct Loans	0	0	0	0	0
EDB	28	3	0	0	0
Totals	32	7	0	0	0

Projects Contacted - This category reflects phone calls, e-mails, or other less involved questions.

Projects Monitored - This category includes review of specific aspects of a project which requires research of a file or a more in-depth examination.

Completed Exhibits - Project's Fiscal Year End exhibits have been monitored for the year.

Project Update Report

Project	County	Approval Date	Exit Date	Program
<u>Santa Rosa Systems, Inc.</u>	<u>Jefferson</u>	<u>04/30/2015</u>	<u>7/17/2016</u>	<u>KBI</u>
<u>Explanation: Company withdrew from KBI Program per email dated July 17, 2016.</u>				
<u>Accuride Corporation</u>	<u>Henderson</u>	<u>01/27/2011</u>	<u>07/31/2016</u>	<u>KBI</u>
<u>Explanation: Company withdrew from KBI Program per email dated July 14, 2016.</u>				
<u>Yechiu Metal Recycling America, Inc.</u>	<u>Hancock</u>	<u>09/25/2014</u>	<u>07/07/2016</u>	<u>KBI</u>
<u>Explanation: Company withdrew from KBI Program per email dated July 7, 2016.</u>				
<u>Plastiblok, Ltd.</u>	<u>McCracken</u>	<u>19612</u>	<u>8/1/2016</u>	<u>KBI</u>
<u>Explanation: Several attempts to contact Company with no response. Project expired 7/31/2016.</u>				

Project Update Report

Abilene TX Foods, Inc. Jefferson 18770 8/1/2016 KBI

Explanation: Several attempts to contact Company with no response. Project expired 7/31/2016.

Johnson Controls Battery Group Boone 18647 8/1/2016 KBI

Explanation: Company withdrew from KBI Program per letter dated 5/9/2016.

Creative Eye American Apparel McCracken 19628 8/1/2016 KBI


Explanation: Several attempts to contact Company with no response. Project expired 7/31/2016.

Explanation: _____

Explanation: _____

MEMORANDUM

TO: KEDFA Board

FROM: J. Don Goodin, Director 
Incentive Assistance Division

DATE: August 25, 2016

SUBJECT: Healthcare Facilities Revenue Bonds, Series 2016
(Masonic Homes Independent Living II, Inc.) – \$110 million – Inducement Resolution

Attached is a draft New Bond Issue Report related to KEDFA's proposed issuance of revenue bonds in an aggregate principal amount not to exceed \$110 million on behalf of Masonic Homes Independent Living II, Inc. The bond proceeds will be used to finance the construction, installation, and equipping of healthcare and health related facilities consisting of independent living units located on the Masonic Homes campus in Louisville, Kentucky (Jefferson County).


Please note that KEDFA's adoption of a final resolution will be contingent on the Cabinet's receipt of a referral resolution from the affected local jurisdiction requesting that KEDFA issue these bonds. Furthermore, a TEFRA hearing for the purpose of receiving public comment on the proposed bond issues will be conducted by staff prior to KEDFA's adoption of a final resolution.

If the financing is approved, KEDFA would serve as the conduit issuer of the bonds. The bonds would not constitute a general obligation of KEDFA and KEDFA would not be obligated to pay principal or interest for the bonds from its own funds.

Staff recommends KEDFA's adoption of the inducement bond resolution.

MEMORANDUM

TO: KEDFA Board Members

FROM: Robert Aldridge, Assistant Director
Compliance Division 

DATE: August 25, 2016

SUBJECT: KREDA Title Transfer
Carbide Products International, Inc. (Henderson County)
KREDA Project # 3848

On March 13, 1991, KREDA issued its \$1,700,000 Taxable Economic Development Project Revenue Bonds to finance the acquisition, construction, equipping and installation of a facility located in Henderson County, Kentucky to manufacture carbide drill components, among other items (the "Project"). In addition, KREDA took title to the financed property and leased the property back to Carbide Products International, Inc. pursuant to a lease Agreement dated March 13, 1991.


It has been brought to KEDFA's attention that the title to the property is currently held in the name of KREDA. As KREDA's statutory successor, KEDFA owns the property that has been the subject of the lease. The lease requires KEDFA to transfer title of the leased property to Carbide Products International, Inc. once the bonds have been fully paid and discharged. Carbide Products International, Inc. has represented to KEDFA staff that the bonds have been fully paid and discharged. Carbide Products International, Inc. desires to have the property subject to the Lease conveyed to it from KEDFA.

Therefore, KEDFA staff requests that the board approve the proposed Resolution approving the transfer of the title to Carbide Products International, Inc., the termination of the lease and the execution of any documents necessary to effect the transfer and comply with the requirements of the Lease and the applicable Indenture.

Staff recommends approval.

MEMORANDUM

TO: KEDFA Board Members

FROM: Robert Aldridge, Assistant Director 
Compliance Division

DATE: July 28, 2016


SUBJECT: KREDA Amendment
GGF Heritage Manufacturing, LLC (Russell County)
KREDA Project # 12964

GGF Heritage Manufacturing, LLC (the "Approved Company") is requesting an Amended and Restated Financing Agreement to reflect a refinance of KREDA debt between Ferco Tech Corporation (the Company's "Affiliate") and Mainsource Bank (the new "Lender") retroactive to September 24, 2014 and change the terms of the KREDA incentives from July 25, 2017 (the maximum allowable term) to December 31, 2015.

Staff recommends approval.

MEMORANDUM

TO: KEDFA Board Members

FROM: Robert Aldridge, Assistant Director 
Compliance Division

DATE: August 25, 2016

SUBJECT: KJDA Amendment
GFS Central States, LLC (Bullitt County)
KJDA Project #14536

"GFS Central States, LLC." is requesting approval of a Second Amendment to the Amended and Restated Service and Technology Agreement to reflect a merger of Approved Affiliate Gordon Food Service, LLC (d/b/a GFS Employment Services, LLC) with Gordon Food Service, Inc. (being the surviving entity as the Approved Affiliate) retroactive to January 1, 2016.

Staff recommends approval.

MEMORANDUM

TO: KEDFA Board Members

FROM: Robert Aldridge, Assistant Director
Compliance Division *RA*

DATE: August 28, 2016

SUBJECT: KBI Amendment
Altec Industries, Inc. (Hardin County)
Project #19116

Altec Industries, Inc. received final approval for KBI on June 26, 2014. Subsequent to approval but prior to activation, the company increased its expansion plans for the project. Altec acquired the property adjacent to and across the street from the main campus and plans to increase the square footage of the building from 182,000 sf to 224,500 sf and construct a 38,000 sf building adjacent to its existing facility. As a result, the company has increased its investment in the project and increased both the Wage and Employment targets.

Under the original agreement, the company was authorized for a Maximum Approved Cost of \$1,250,000 with an annual limitation of \$125,000 for creating 60 jobs and a wage target of \$17.05. The proposed amendment would be for a Maximum Approved Cost of \$2,000,000 with an annual limitation of \$200,000 for creating 224 jobs and a wage target of \$22.05. Altec requested the amendment to reflect the revised expansion of the KBI project.

Staff recommends approval.

MEMORANDUM

TO: KEDFA Board Members

FROM: Robert Aldridge, Assistant Director
Compliance Division

DATE: August 25, 2016

SUBJECT: KEIA Extensions



The following companies have requested additional time to complete their projects:

Company	County	Extension
American Howa Kentucky, Inc.	Woodford	3 Months
A.O. Smith Corporation	Kenton	12 Months

Staff recommends approval.

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KEIA REPORT**

Date: August 25, 2016
Approved Company: Buffalo Trace Distillery, Inc.
City: Frankfort **County:** Franklin
Activity: Manufacturing **Resolution #:** KEIA-17-21220
Bus. Dev. Contact: A. Bobbitt **OFS Staff:** L. Cunningham
Project Description: Buffalo Trace Distillery, Inc. is considering expanding its facility to meet the growing demands of its customers. This project would involve an expansion of its barrel storage warehouse to keep up with increased demand.

Facility Details: Expanding existing operations

Anticipated Project Investment

Land
Building Construction
Electronic Processing Equipment
Research & Development Equipment
Other Equipment
Other Start-up Costs
TOTAL

Eligible Costs	Total Investment
\$0	\$0
\$2,750,000	\$5,750,000
\$0	\$0
\$0	\$0
\$0	\$750,000
\$0	\$0
\$2,750,000	\$6,500,000

Ownership (20% or more):
Sazerac Distillers, LLC

Other State Participation:

<u>Date</u>	<u>Program</u>	<u>Status</u>	<u>Amount</u>
Mar 31, 2011	KIDA	Monitor	\$780,000
Feb 27, 2014	KBI	Approve-Prelim	\$1,250,000

Unemployment Rate

County: 4.3%

Kentucky: 5.4%

Existing Presence in Kentucky:

Daviess, Jefferson & Nelson Counties

Approved Recovery Amount:

Construction Materials and Building Fixtures: \$150,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$150,000

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KEIA REPORT**

Date: August 25, 2016
Approved Company: Master Engineering, Inc. dba Piccola Manufacturing
City: Shepherdsville **County:** Bullitt
Activity: Manufacturing **Resolution #:** KEIA-17-21225
Bus. Dev. Contact: K. Slattery **OFS Staff:** L. Cunningham

Project Description: Master Engineering, Inc. dba Piccola Manufacturing, a machine shop, has tripled in size since 1986 and its opportunity for employment has increased. The company plans to expand the facility by adding a 30,000 sf plant and 4,800 sf office on the adjacent property. The additional space would allow the company to be more efficient in manufacturing and allow it to expand the workforce.

Facility Details: Expanding existing operations

Anticipated Project Investment

Land
Building Construction
Electronic Processing Equipment
Research & Development Equipment
Other Equipment
Other Start-up Costs
TOTAL

Eligible Costs	Total Investment
\$0	\$0
\$1,500,000	\$2,000,000
\$0	\$0
\$0	\$0
\$0	\$500,000
\$0	\$250,000
\$1,500,000	\$2,750,000

Ownership (20% or more):

Richard Eschman - Mt. Eden, KY
Wanda Eschman - Mt. Eden, KY
Brian Eschman - Mt. Washington, KY
Brad Eschman - Taylorsville, KY

Other State Participation: None

Unemployment Rate

County: 4.4%

Kentucky: 5.4%

Existing Presence in Kentucky: Bullitt County

Approved Recovery Amount:

Construction Materials and Building Fixtures: \$70,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$70,000

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KBI REPORT - PRELIMINARY APPROVAL

Date: August 25, 2016
Approved Company: American Howa Kentucky, Inc.
City: Bowling Green **County:** Warren
Activity: Manufacturing **Prelim Resolution #:** KBI-I-16-21211
Bus. Dev. Contact: F. Tate **OFS Staff:** M. Elder

Project Description: American Howa Kentucky, Inc. (AHK) is an automotive parts manufacturing company with plants located across the world. The company is a Tier 1 supplier to most Japanese automotive manufacturers and some U.S. auto manufacturers. AHK is considering an expansion to meet the increased demand of its Tier 1 products to OEM's.

Facility Details: Expanding existing operations

Anticipated Project Investment - Owned

Land
 Building/Improvements
 Equipment
 Other Start-up Costs
TOTAL

Eligible Costs	Total Investment
\$0	\$0
\$2,566,876	\$2,566,876
\$880,000	\$4,919,851
\$100,000	\$100,000
\$3,546,876	\$7,586,727

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	44	\$18.00	
1	44	\$18.00	\$60,000
2	44	\$18.00	\$60,000
3	44	\$18.00	\$60,000
4	44	\$18.00	\$60,000
5	44	\$18.00	\$60,000
6	44	\$18.00	\$60,000
7	44	\$18.00	\$60,000
8	44	\$18.00	\$60,000
9	44	\$18.00	\$60,000
10	44	\$18.00	\$60,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$600,000

County Type:

Other

Statutory Minimum Wage Requirements:

Base hourly wage: \$10.88

Total hourly compensation: \$12.51

Ownership (20% or more):

Howa USA Holdings, Inc. Novi, MI

Active State Participation at the project site:

<u>Date</u>	<u>Program</u>	<u>Status</u>	<u>Amount</u>
Mar 27, 2008	KIDA	Monitor	\$1,000,000
Jan 30, 2014	KBI	Monitor	\$900,000

Requested Wage Assessment / Local Participation:

State: 3.0%

Local: 1.0% City of Bowling Green

Unemployment Rate

County: 4.5%

Kentucky: 5.4%

Existing Presence in Kentucky:

Warren and Woodford Counties

Special Conditions:

The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval. The company reported 182 full-time, Kentucky resident employees as of the application date.

The company will be required to maintain 85% of the total statewide full-time, Kentucky resident employees at all company locations, excluding the site of the project, as of the date of preliminary approval.

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KEIA REPORT**

Date: August 25, 2016
Approved Company: American Howa Kentucky, Inc.
City: Bowling Green **County:** Warren
Activity: Manufacturing **Resolution #:** KEIA-17-21212
Bus. Dev. Contact: F. Tate **OFS Staff:** M. Elder

Project Description: American Howa Kentucky, Inc. (AHK) is an automotive parts manufacturing company with plants located across the world. The company is a Tier 1 supplier to most Japanese automotive manufacturers and some U.S. auto manufacturers. AHK is considering an expansion to meet the increased demand of its Tier 1 products to OEM's.

Facility Details: Expanding existing operations

Anticipated Project Investment

Land
Building Construction
Electronic Processing Equipment
Research & Development Equipment
Other Equipment
Other Start-up Costs
TOTAL

Eligible Costs	Total Investment
\$0	\$0
\$2,566,876	\$2,566,876
\$0	\$0
\$0	\$0
\$0	\$4,919,851
\$0	\$100,000
\$2,566,876	\$7,586,727

Approved Recovery Amount:

Construction Materials and Building Fixtures: \$100,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$100,000

See KBI file (KBI-I-16-21211) for Ownership, Other State Participation and Unemployment Rate.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KBI REPORT - PRELIMINARY APPROVAL

Date: August 25, 2016
Approved Company: Gibbs Die Casting Corporation
City: Henderson **County:** Henderson
Activity: Manufacturing **Prelim Resolution #:** KBI-I-16-21239
Bus. Dev. Contact: F. Tate **OFS Staff:** M. Elder

Project Description: Gibbs Die Casting Corporation, established in 1965 is owned by Koch Enterprises, Inc. and is a tier-one and tier-two supplier to the biggest names in the automotive industry. Gibbs has grown into one of the world's largest die casting companies with multiple global locations. The company is at full utilization and is in need of both casting and machining capacity expansions to support further business growth. In addition to production equipment, significant facility enhancements are necessary to advance its technology. The proposed project will allow Gibbs to support expected production demand as well as seek out additional business opportunities.

Facility Details: Expanding existing operations

Anticipated Project Investment - Owned

Land
 Building/Improvements
 Equipment
 Other Start-up Costs
TOTAL

Eligible Costs	Total Investment
\$0	\$0
\$1,000,000	\$1,000,000
\$400,000	\$9,000,000
\$0	\$0
\$1,400,000	\$10,000,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	20	\$26.50	
1	35	\$26.50	\$80,000
2	46	\$26.50	\$80,000
3	46	\$26.50	\$80,000
4	46	\$26.50	\$80,000
5	46	\$26.50	\$80,000
6	46	\$26.50	\$80,000
7	46	\$26.50	\$80,000
8	46	\$26.50	\$80,000
9	46	\$26.50	\$80,000
10	46	\$26.50	\$80,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$800,000

County Type:

Other

Statutory Minimum Wage Requirements:

Base hourly wage: \$10.88

Total hourly compensation: \$12.51

Ownership (20% or more):

Koch Enterprises Incorporated Evansville, IN

Active State Participation at the project site:

<u>Date</u>	<u>Program</u>	<u>Status</u>	<u>Amount</u>
Jan 28, 2016	KBI	Monitor	\$3,000,000

Requested Wage Assessment / Local Participation:

State: 3.0%

Local: 1.0 % City of Henderson

Unemployment Rate

County: 5.1%

Kentucky: 5.4%

Existing Presence in Kentucky:

Henderson County

Special Conditions:

The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval. The company reported 857 full-time, Kentucky resident employees as of the application date.

The project will include multiple locations within the Henderson County/Henderson. Only investment costs incurred at 369 Community Drive will be considered towards calculating eligible costs. Employees and their respective wages at the locations included in the project definition will be eligible for compliance.

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KEIA REPORT**

Date: August 25, 2016
Approved Company: Gibbs Die Casting Corporation
City: Henderson
Activity: Manufacturing
Bus. Dev. Contact: F. Tate

County: Henderson
Resolution #: KEIA-17-21240
OFS Staff: M. Elder

Project Description: Gibbs Die Casting Corporation, established in 1965 is owned by Koch Enterprises, Inc. and is a tier-one and tier-two supplier to the biggest names in the automotive industry. Gibbs has grown into one of the world's largest die casting companies with multiple global locations. The company is at full utilization and is in need of both casting and machining capacity expansions to support further business growth. In addition to production equipment, significant facility enhancements are necessary to advance its technology. The proposed project will allow Gibbs to support expected production demand as well as seek out additional business opportunities.

Facility Details: Expanding existing operations

Anticipated Project Investment

Land
Building Construction
Electronic Processing Equipment
Research & Development Equipment
Other Equipment
Other Start-up Costs
TOTAL

Eligible Costs	Total Investment
\$0	\$0
\$700,000	\$1,000,000
\$0	\$0
\$0	\$0
\$0	\$9,000,000
\$0	\$0
\$700,000	\$10,000,000

Approved Recovery Amount:

Construction Materials and Building Fixtures: \$35,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$35,000

See KBI file (KBI-I-16-21239) for Ownership, Other State Participation and Unemployment Rate.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KBI REPORT - PRELIMINARY APPROVAL

Date: August 25, 2016
Approved Company: Hansens Aluminum, LLC
City: Henderson **County:** Henderson
Activity: Manufacturing **Prelim Resolution #:** KBI-I-16-21149
Bus. Dev. Contact: F. Tate **OFS Staff:** M. Elder

Project Description: Hansens Aluminum is a newly formed automotive manufacturing company that will extrude aluminum components for the automotive industry. The company is considering locating a manufacturing facility in Henderson to supply customers across the USA and to Mexico.

Facility Details: Locating in a new facility

Anticipated Project Investment - Owned

Land
 Building/Improvements
 Equipment
 Other Start-up Costs
TOTAL

Eligible Costs	Total Investment
\$210,000	\$210,000
\$7,200,000	\$7,200,000
\$1,200,000	\$10,500,000
\$500,000	\$500,000
\$9,110,000	\$18,410,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	48	\$23.00	
1	60	\$23.00	\$300,000
2	66	\$23.00	\$300,000
3	70	\$23.00	\$300,000
4	75	\$23.00	\$300,000
5	75	\$23.00	\$300,000
6	75	\$23.00	\$300,000
7	75	\$23.00	\$300,000
8	75	\$23.00	\$300,000
9	75	\$23.00	\$300,000
10	75	\$23.00	\$300,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$3,000,000

County Type:
Other

Statutory Minimum Wage Requirements:
Base hourly wage: \$10.88
Total hourly compensation: \$12.51

Ownership (20% or more):

Erik Hansen Port Elizabeth, South Africa

Active State Participation at the project site: None

Requested Wage Assessment / Local Participation:

State: 3.0%

Local: 1.0% - Henderson County

Unemployment Rate

County: 5.1%

■ Kentucky: 5.4%

Existing Presence in Kentucky: None

Special Conditions: None

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KEIA REPORT**

Date: August 25, 2016
Approved Company: Hansens Aluminum, LLC
City: Henderson
Activity: Manufacturing
Bus. Dev. Contact: F. Tate

County: Henderson
Resolution #: KEIA-17-21150
OFS Staff: M. Elder

Project Description: Hansens Aluminum is a newly formed automotive manufacturing company that will extrude aluminum components for the automotive industry. The company is considering locating a manufacturing facility in Henderson to supply customers across the USA and to Mexico.

Facility Details: Locating in a new facility

Anticipated Project Investment

Land
Building Construction
Electronic Processing Equipment
Research & Development Equipment
Other Equipment
Other Start-up Costs
TOTAL

Eligible Costs	Total Investment
\$0	\$210,000
\$6,000,000	\$7,200,000
\$0	\$0
\$0	\$0
\$0	\$10,500,000
\$0	\$500,000
\$6,000,000	\$18,410,000

Existing Presence in Kentucky: None

Approved Recovery Amount:

Construction Materials and Building Fixtures: \$360,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$360,000

See KBI file (KBI-I-16-21149) for Ownership, Other State Participation and Unemployment Rate.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY**KBI REPORT - PRELIMINARY APPROVAL**

Date: August 25, 2016
Approved Company: Lakeshore Equipment Company dba Lakeshore Learning Materials
City: Midway **County:** Woodford
Activity: Service & Technology **Prelim Resolution #:** KBI-I-16-21213
Bus. Dev. Contact: L. Ransdell **OFS Staff:** M. Elder

Project Description: Founded in 1954, Lakeshore Learning Materials is the leading U.S. developer of educational materials and classroom furniture & supplies. Over the last decade, Lakeshore's business has grown at a remarkable rate where opening a second distribution center in the U.S. is critical for meeting current and future demand. The company is considering Midway for its new distribution and storage facility.

Facility Details: Locating in a new facility

Anticipated Project Investment - Owned

Land
Building/Improvements
Equipment
Other Start-up Costs
TOTAL

Eligible Costs	Total Investment
\$2,150,000	\$2,150,000
\$21,319,019	\$21,319,019
\$5,240,000	\$23,971,560
\$0	\$0
\$28,709,019	\$47,440,579

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	262	\$19.00	
1	262	\$19.00	\$370,000
2	262	\$19.00	\$370,000
3	262	\$19.00	\$370,000
4	262	\$19.00	\$370,000
5	262	\$19.00	\$370,000
6	262	\$19.00	\$370,000
7	262	\$19.00	\$370,000
8	262	\$19.00	\$370,000
9	262	\$19.00	\$370,000
10	262	\$19.00	\$370,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$3,700,000

County Type:
Other

Statutory Minimum Wage Requirements:
Base hourly wage: \$10.88
Total hourly compensation: \$12.51

Ownership (20% or more):

Michael Kaplan Hermosa Beach, CA
Charles Kaplan Santa Monica, CA

Active State Participation at the project site: None

Requested Wage Assessment / Local Participation:

State: 3.0%

Local: 1.0%- 0.5% Woodford County Fiscal Court
0.5% City of Midway

Unemployment Rate

County: 3.6%

Kentucky: 5.4%

Existing Presence in Kentucky: None

Special Conditions: None

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KEIA REPORT**

Date: August 25, 2016
Approved Company: Lakeshore Equipment Company dba Lakeshore Learning Materials
City: Midway **County:** Woodford
Activity: Service & Technology **Resolution #:** KEIA-17-21214
Bus. Dev. Contact: L. Ransdell **OFS Staff:** M. Elder

Project Description: Founded in 1954, Lakeshore Learning Materials is the leading U.S. developer of educational materials and classroom furniture & supplies. Over the last decade, Lakeshore's business has grown at a remarkable rate where opening a second distribution center in the U.S. is critical for meeting current and future demand. The company is considering Midway for its new distribution and storage facility.

Facility Details: Locating in a new facility

Anticipated Project Investment

Land
Building Construction
Electronic Processing Equipment
Research & Development Equipment
Other Equipment
Other Start-up Costs
TOTAL

Eligible Costs	Total Investment
\$0	\$2,150,000
\$19,536,328	\$21,319,019
\$3,814,873	\$3,814,873
\$0	\$0
\$0	\$20,156,687
\$0	\$0
\$23,351,201	\$47,440,579

Approved Recovery Amount:

Construction Materials and Building Fixtures: \$1,171,000
R&D and/or Electronic Processing Equipment: \$229,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$1,400,000

See KBI file (KBI-I-16-21213) for Ownership, Other State Participation and Unemployment Rate.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY**KBI REPORT - PRELIMINARY APPROVAL**

Date: August 25, 2016
Approved Company: Carl Zeiss Vision Inc.
City: Hebron
Activity: Manufacturing
Bus. Dev. Contact: K. Slattery

County: Boone
Prelim Resolution #: KBI-IL-16-21180
OFS Staff: L. Cunningham

Project Description: "Zeiss" is an internationally leading technology enterprise operating in the optics and optoelectronics industries. The company develops and distributes semiconductor manufacturing equipment, measuring technology, microscopes, medical technology, eyeglass lenses, camera and cine lenses, binoculars and planetarium technology. Zeiss is considering building an Rx Lab as an integrated and automated supplier of prescription lenses.

Facility Details: Expanding existing operations

Anticipated Project Investment - Leased

Rent
Building/Improvements
Equipment
Other Start-up Costs
TOTAL

Eligible Costs	Total Investment
\$0	\$0
\$2,500,000	\$2,500,000
\$1,800,000	\$6,000,000
\$1,500,000	\$1,500,000
\$5,800,000	\$10,000,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	90	\$19.77	
1	90	\$19.77	\$200,000
2	190	\$19.77	\$200,000
3	190	\$19.77	\$200,000
4	190	\$19.77	\$200,000
5	190	\$19.77	\$200,000
6	190	\$19.77	\$200,000
7	190	\$19.77	\$200,000
8	190	\$19.77	\$200,000
9	190	\$19.77	\$200,000
10	190	\$19.77	\$200,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$2,000,000

County Type:
Other

Statutory Minimum Wage Requirements:
Base hourly wage: \$10.88
Total hourly compensation: \$12.51

Ownership (20% or more):

Carl Zeiss Vision International - Aalen, Germany

Active State Participation at the project site: None

Requested Wage Assessment / Local Participation:

State: 1.5%

Local: 0.4% Unincorporated Boone County

Unemployment Rate

County: 4.2%

Kentucky: 5.4%

Existing Presence in Kentucky: Boone County

Special Conditions:

The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval. The company reported 132 full-time, Kentucky resident employees as of the application date.

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KEIA REPORT**

Date: August 25, 2016
Approved Company: Carl Zeiss Vision Inc.
City: Hebron **County:** Boone
Activity: Manufacturing **Resolution #:** KEIA-17-21181
Bus. Dev. Contact: K. Slattery **OFS Staff:** L. Cunningham

Project Description: "Zeiss" is an internationally leading technology enterprise operating in the optics and optoelectronics industries. The company develops and distributes semiconductor manufacturing equipment, measuring technology, microscopes, medical technology, eyeglass lenses, camera and cine lenses, binoculars and planetarium technology. Zeiss is considering building an Rx Lab as an integrated and automated supplier of prescription lenses.

Facility Details: Expanding existing operations

Anticipated Project Investment

Land
Building Construction
Electronic Processing Equipment
Research & Development Equipment
Other Equipment
Other Start-up Costs
TOTAL

Eligible Costs	Total Investment
\$0	\$0
\$2,000,000	\$2,500,000
\$0	\$5,000,000
\$0	\$0
\$0	\$1,000,000
\$0	\$1,500,000
\$2,000,000	\$10,000,000

Existing Presence in Kentucky:

Boone County

Approved Recovery Amount:

Construction Materials and Building Fixtures: \$100,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$100,000

See KBI file (KBI-IL-16-21180) for Ownership, Other State Participation and Unemployment Rate.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KBI REPORT - PRELIMINARY APPROVAL

Date: August 25, 2016
Approved Company: East Bernstadt Cooperage, LLC
City: East Bernstadt **County:** Laurel
Activity: Manufacturing **Prelim Resolution #:** KBI-I-16-21203
Bus. Dev. Contact: J. Ward **OFS Staff:** D. Phillips

Project Description: East Bernstadt Cooperage, LLC manufactures bourbon barrels and wood chip products. The company is considering an expansion of its operation in East Bernstadt which would include the construction of a new facility to increase barrel production.

Facility Details: Locating in a new facility

Anticipated Project Investment - Owned

Land
 Building/Improvements
 Equipment
 Other Start-up Costs
TOTAL

Eligible Costs	Total Investment
\$0	\$0
\$5,000,000	\$5,000,000
\$15,000,000	\$15,000,000
\$250,000	\$250,000
\$20,250,000	\$20,250,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	75	\$15.05	
1	75	\$15.05	\$125,000
2	75	\$15.05	\$125,000
3	75	\$15.05	\$125,000
4	75	\$15.05	\$125,000
5	75	\$15.05	\$125,000
6	75	\$15.05	\$125,000
7	75	\$15.05	\$125,000
8	75	\$15.05	\$125,000
9	75	\$15.05	\$125,000
10	75	\$15.05	\$125,000
11	75	\$15.05	\$125,000
12	75	\$15.05	\$125,000
13	75	\$15.05	\$125,000
14	75	\$15.05	\$125,000
15	75	\$15.05	\$125,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$1,875,000

County Type:
Enhanced

Statutory Minimum Wage Requirements:
Base hourly wage: \$9.06
Total hourly compensation: \$10.42

Ownership (20% or more):

Ronnie Robinson	East Bernstadt, KY
C. B. Robinson	East Bernstadt, KY

Active State Participation at the project site: None

Requested Wage Assessment / Local Participation:
State: 5.0%

Unemployment Rate

County: 6.5%

Kentucky: 5.4%

Existing Presence in Kentucky:

Laurel County

Special Conditions:

The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval. The company reported 91 full-time, Kentucky resident employees as of the application date.

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KEIA REPORT**

Date: August 25, 2016
Approved Company: East Bernstadt Cooperage, LLC
City: East Bernstadt
Activity: Manufacturing
Bus. Dev. Contact: J. Ward

County: Laurel
Resolution #: KEIA-17-21204
OFS Staff: D. Phillips

Project Description: East Bernstadt Cooperage, LLC manufactures bourbon barrels and wood chip products. The company is considering an expansion of its operation in East Bernstadt which would include the construction of a new facility to increase barrel production.

Facility Details: Locating in a new facility

Anticipated Project Investment

Land
Building Construction
Electronic Processing Equipment
Research & Development Equipment
Other Equipment
Other Start-up Costs
TOTAL

Eligible Costs	Total Investment
\$0	\$0
\$4,500,000	\$5,000,000
\$0	\$15,000,000
\$0	\$0
\$0	\$0
\$0	\$250,000
\$4,500,000	\$20,250,000

Existing Presence in Kentucky:
Laurel County

Approved Recovery Amount:

Construction Materials and Building Fixtures: \$270,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$270,000

See KBI file (KBI-I-16-21203) for Ownership, Other State Participation and Unemployment Rate.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KBI REPORT - PRELIMINARY APPROVAL

Date: August 25, 2016
Approved Company: Graf Brothers Flooring, Inc.
City: South Shore **County:** Greenup
Activity: Manufacturing **Prelim Resolution #:** KBI-I-16-21205
Bus. Dev. Contact: R. Lee **OFS Staff:** D. Phillips

Project Description: Graf Brothers Flooring, Inc. is the world's largest manufacturer of rift and quartered hardwood flooring. The company is considering the expansion of its operation in South Shore by constructing two new buildings, a manufacturing facility to produce Lamellas used in engineered wood flooring and the other facility will be utilized for warehousing and shipping.

Facility Details: Locating in a new facility

Anticipated Project Investment - Owned

Land
 Building/Improvements
 Equipment
 Other Start-up Costs
TOTAL

Eligible Costs	Total Investment
\$0	\$0
\$600,000	\$600,000
\$1,029,000	\$1,029,000
\$0	\$0
\$1,629,000	\$1,629,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	20	\$12.55	
1	20	\$12.55	\$30,000
2	20	\$12.55	\$30,000
3	20	\$12.55	\$30,000
4	20	\$12.55	\$30,000
5	20	\$12.55	\$30,000
6	20	\$12.55	\$30,000
7	20	\$12.55	\$30,000
8	20	\$12.55	\$30,000
9	20	\$12.55	\$30,000
10	20	\$12.55	\$30,000
11	20	\$12.55	\$30,000
12	20	\$12.55	\$30,000
13	20	\$12.55	\$30,000
14	20	\$12.55	\$30,000
15	20	\$12.55	\$30,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$450,000

County Type:
Enhanced

Statutory Minimum Wage Requirements:
Base hourly wage: \$9.06
Total hourly compensation: \$10.42

Ownership (20% or more):

David Graf Key Largo, FL
Gregory Graf Stout, OH

Active State Participation at the project site: None

Requested Wage Assessment / Local Participation:

State: 5.0%

Unemployment Rate

County: 9.0%

Kentucky: 5.4%

Existing Presence in Kentucky:

Greenup and Lewis Counties

Special Conditions:

The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval. The company reported 49 full-time, Kentucky resident employees as of the application date.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY**KBI REPORT - PRELIMINARY APPROVAL**

Date: August 25, 2016
Approved Company: Brown & Brown of Kentucky, Inc.
City: Columbia **County:** Adair
Activity: Service & Technology **Prelim Resolution #:** KBI-IL-16-21221
Bus. Dev. Contact: M. Pierstorff **OFS Staff:** L. Cunningham

Project Description: Brown & Brown is a provider of insurance and reinsurance products and services to general business, corporate, governmental, and individual clients. Founded in Daytona Beach in 1939, the company now operates profit centers throughout the United States, England and Bermuda. Brown & Brown is considering expanding its Columbia, KY profit centers' personal lines business with the addition of a national service center.

Facility Details: Expanding existing operations

Anticipated Project Investment - Leased

Rent
Building/Improvements
Equipment
Other Start-up Costs
TOTAL

Eligible Costs	Total Investment
\$562,500	\$1,125,000
\$0	\$0
\$375,000	\$375,000
\$0	\$0
\$937,500	\$1,500,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	25	\$15.38	
1	25	\$15.38	\$40,000
2	25	\$15.38	\$40,000
3	25	\$15.38	\$40,000
4	25	\$15.38	\$40,000
5	25	\$15.38	\$40,000
6	25	\$15.38	\$40,000
7	25	\$15.38	\$40,000
8	25	\$15.38	\$40,000
9	25	\$15.38	\$40,000
10	25	\$15.38	\$40,000
11			
12			
13			
14			
15			

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$400,000

County Type:
Enhanced

Statutory Minimum Wage Requirements:
Base hourly wage: \$9.06
Total hourly compensation: \$10.42

Ownership (20% or more):
Publicly Traded

Active State Participation at the project site: None

Requested Wage Assessment / Local Participation:
State: 5.0%

Unemployment Rate
County: 7.1% Kentucky: 5.4%

Existing Presence in Kentucky: Adair and Jefferson County

Special Conditions:

The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval. The company reported 24 full-time, Kentucky resident employees as of the application date.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY**KBI REPORT - PRELIMINARY APPROVAL**

Date: August 25, 2016
Approved Company: Statewide Mortgage, LLC
City: Louisville **County:** Jefferson
Activity: Service & Technology **Prelim Resolution #:** KBI-I-16-21218
Bus. Dev. Contact: A. Germond **OFS Staff:** L. Cunningham

Project Description: Statewide Mortgage, LLC, established in 2002, has offices in Kentucky, Indiana, and Georgia. The company originates residential mortgage loans in Georgia, Illinois, Indiana, Kentucky, and Virginia. The Jefferson County location supports all its branches and due to increased demand for services, is being considered for an expansion.

Facility Details: Expanding existing operations

Anticipated Project Investment - Owned

Land
Building/Improvements
Equipment
Other Start-up Costs
TOTAL

Eligible Costs	Total Investment
\$875,000	\$875,000
\$2,000,000	\$2,000,000
\$200,000	\$475,000
\$53,000	\$53,000
\$3,128,000	\$3,403,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	10	\$40.00	
1	14	\$40.00	\$60,000
2	18	\$40.00	\$60,000
3	22	\$40.00	\$60,000
4	26	\$40.00	\$60,000
5	30	\$40.00	\$60,000
6	30	\$40.00	\$60,000
7	30	\$40.00	\$60,000
8	30	\$40.00	\$60,000
9	30	\$40.00	\$60,000
10	30	\$40.00	\$60,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$600,000

County Type:
Other

Statutory Minimum Wage Requirements:
Base hourly wage: \$10.88
Total hourly compensation: \$12.51

Ownership (20% or more):

Larry Keith Swisher, Jr. - Louisville, KY

Active State Participation at the project site: None

Requested Wage Assessment / Local Participation:

State: 3.0%

Local: 1.0% Louisville-Jefferson County Metro Government

Unemployment Rate

County: 4.8%

Kentucky: 5.4%

Existing Presence in Kentucky: Jefferson County

Special Conditions:

The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval. The company reported 22 full-time, Kentucky resident employees as of the application date.

The project will include multiple locations within Jefferson County/Louisville. Only investment costs incurred at 1510 Lakeshore Court will be considered towards calculating eligible costs. Employees and their respective wages at the locations included in the project definition will be eligible for compliance.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KBI REPORT - PRELIMINARY APPROVAL

Date: August 25, 2016
Approved Company: Bed Wood and Parts, LLC
City: Hopkinsville **County:** Christian
Activity: Manufacturing **Prelim Resolution #:** KBI-I-16-21227
Bus. Dev. Contact: F. Tate **OFS Staff:** M. Elder

Project Description: Founded in 2006, Bed Wood and Parts, LLC manufactures and sells the highest quality bed kits for classic vehicle restorations available in over 20 species of wood for trucks and SUV's and distributes them globally. The company is considering an expansion to help meet the increased demand for the ecommerce market and to help fulfill its existing sales market.

Facility Details: Expanding existing operations

Anticipated Project Investment - Owned

	Eligible Costs	Total Investment
Land	\$400,000	\$400,000
Building/Improvements	\$355,000	\$355,000
Equipment	\$1,330,000	\$1,330,000
Other Start-up Costs	\$1,635,000	\$1,635,000
TOTAL	\$3,720,000	\$3,720,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	10	\$36.00	
1	10	\$36.00	\$62,500
2	17	\$36.00	\$62,500
3	31	\$36.00	\$62,500
4	38	\$36.00	\$62,500
5	42	\$36.00	\$62,500
6	42	\$36.00	\$62,500
7	42	\$36.00	\$62,500
8	42	\$36.00	\$62,500
9	42	\$36.00	\$62,500
10	42	\$36.00	\$62,500
11	42	\$36.00	\$75,000
12	42	\$36.00	\$75,000
13	42	\$36.00	\$75,000
14	42	\$36.00	\$75,000
15	42	\$36.00	\$75,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$1,000,000

County Type:
Enhanced

Statutory Minimum Wage Requirements:
Base hourly wage: \$9.06
Total hourly compensation: \$10.42

Ownership (20% or more):
Jeffrey D. Major Crofton, KY

Active State Participation at the project site: None

Requested Wage Assessment / Local Participation:
State: 5.0%

Unemployment Rate
County: 6.7% Kentucky: 5.4%

Existing Presence in Kentucky:
Christian County

Special Conditions:
The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval. The company reported 6 full-time, Kentucky resident employees as of the application date.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY**KBI REPORT - PRELIMINARY APPROVAL**

Date: August 25, 2016
Approved Company: CR Machine Shop, LLC
City: Madisonville **County:** Hopkins
Activity: Manufacturing **Prelim Resolution #:** KBI-I-16-21224
Bus. Dev. Contact: F. Tate **OFS Staff:** M. Elder

Project Description: CR Machine Shop, LLC, a new business opportunity, is a manufacturer of replacement parts primarily for the construction and mining industry. The company is considering purchasing equipment as well as an existing building in Hopkins County to meet product demand.

Facility Details: Locating in a new facility

Anticipated Project Investment - Owned

Land

Building/Improvements

Equipment

Other Start-up Costs

TOTAL

Eligible Costs	Total Investment
\$150,000	\$150,000
\$150,000	\$150,000
\$280,000	\$700,000
\$50,000	\$50,000
\$630,000	\$1,050,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	14	\$28.50	
1	14	\$28.50	\$20,000
2	14	\$28.50	\$20,000
3	14	\$28.50	\$20,000
4	14	\$28.50	\$20,000
5	14	\$28.50	\$20,000
6	14	\$28.50	\$20,000
7	14	\$28.50	\$20,000
8	14	\$28.50	\$20,000
9	14	\$28.50	\$20,000
10	14	\$28.50	\$20,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:**\$200,000**

County Type:
Other

Statutory Minimum Wage Requirements:
Base hourly wage: \$10.88
Total hourly compensation: \$12.51

Ownership (20% or more):

CR Services, LLC of Kentucky Madisonville, KY

Active State Participation at the project site: None

Requested Wage Assessment / Local Participation:

State: 3.0%

Local: 1.0% City of Madisonville

Unemployment Rate

County: 6.2%

Kentucky: 5.4%

Existing Presence in Kentucky: None

Special Conditions: None

MEMORANDUM

TO: KEDFA Board Members
FROM: Michelle Elder *ME*
Incentive Assistance Division
DATE: August 25, 2016
SUBJECT: KBI Extensions

The following companies have previously received KBI preliminary approval and are requesting approval of a time extension:

Company	County	Extension
PTC Seamless Tube Corp.	Christian	3 month
Accentf(x) LLC	Jefferson	12 month
Filtrona Plastics LLC (dba Alliance Plastics)	Jefferson	12 month
Thoroughbred Houseboats	Wayne	12 month

Staff recommends approval.

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KBI REPORT - FINAL APPROVAL**

Date: August 25, 2016
Preliminary Approval: June 26, 2014
Approved Company: ISCO Industries, Inc.
City: Louisville
Activity: Headquarters
Bus. Dev. Contact: L. Ransdell

County: Jefferson
Final Resolution #: KBI-FL-16-19946
OFS Staff: D. Phillips

Project Description: ISCO Industries, Inc. is a leading comprehensive high-density polyethylene piping solutions provider supplying related products and services to clients including fabrication, fittings, fusion equipment and technical support. The projects consisted of the expansion of its existing international corporate headquarters operation.

Anticipated Project Investment - Leased

Eligible Costs	Total Investment
\$2,400,000	\$4,340,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	10	\$38.00	
1	20	\$38.00	\$82,500
2	30	\$38.00	\$82,500
3	35	\$38.00	\$82,500
4	40	\$38.00	\$82,500
5	45	\$38.00	\$82,500
6	49	\$38.00	\$82,500
7	51	\$38.00	\$82,500
8	53	\$38.00	\$82,500
9	55	\$38.00	\$82,500
10	55	\$38.00	\$82,500

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$825,000

County Type:
Other

Statutory Minimum Wage Requirements:

Base hourly wage: \$10.88
Total hourly compensation: \$12.51

Special Conditions:

Maintain Base Employment: 117

Modifications since preliminary approval? No

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KBI REPORT - FINAL APPROVAL**

Date: August 25, 2016

Preliminary Approval: August 29, 2013

Approved Company: Maker's Mark Distillery, Inc.

City: Loretto

County: Marion

Activity: Manufacturing

Final Resolution #: KBI-F-16-19659

Bus. Dev. Contact: A. Bobbitt

OFS Staff: M. Elder

Project Description: Maker's Mark Distillery, Inc. initiated a two-part construction project in the spring of 2014 as follows:

- 1.) Production capacity increased somewhat so that the company could continue to produce Maker's Mark exclusively at the National Historic Landmark distillery in Loretto. All employed methods of handcrafting the whiskey were retained.
- 2.) Several new barrel rack houses were built in the surrounding area in addition to other on-site infrastructure improvements.

Anticipated Project Investment - Owned

Eligible Costs	Total Investment
\$70,966,300	\$70,966,300

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	10	\$32.00	
1	13	\$32.00	\$640,000
2	16	\$32.00	\$640,000
3	19	\$32.00	\$640,000
4	22	\$32.00	\$640,000
5	25	\$32.00	\$640,000
6	27	\$32.00	\$210,000
7	30	\$32.00	\$210,000
8	30	\$32.00	\$210,000
9	30	\$32.00	\$210,000
10	30	\$32.00	\$210,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$4,250,000

County Type:

Enhanced

Statutory Minimum Wage Requirements:

Base hourly wage: \$9.06

Total hourly compensation: \$10.42

Special Conditions:

Maintain Base Employment: 112

Modifications since preliminary approval? No

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KBI REPORT - FINAL APPROVAL**

Date: August 25, 2016
Preliminary Approval: July 25, 2013
Approved Company: Park Community Credit Union, Inc.
City: Louisville **County:** Jefferson
Activity: Headquarters **Final Resolution #:** KBI-F-16-19619
Bus. Dev. Contact: L. Ransdell **OFS Staff:** M. Elder

Project Description: Park Community Credit Union, Inc. was established in 1965 to serve the employees of General Electric's Appliance Park in Louisville. Today the company operates 14 offices located in the Louisville Metro Area, which includes Southern Indiana, and Decatur, Alabama. This project involved the construction of a new corporate headquarters building to house administrative and support staff.

Anticipated Project Investment - Owned

Eligible Costs	Total Investment
\$8,356,308	\$10,106,308

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	20	\$26.00	
1	20	\$26.00	\$16,000
2	20	\$26.00	\$16,000
3	20	\$26.00	\$16,000
4	20	\$26.00	\$16,000
5	20	\$26.00	\$16,000
6	20	\$26.00	\$16,000
7	20	\$26.00	\$16,000
8	20	\$26.00	\$16,000
9	20	\$26.00	\$16,000
10	20	\$26.00	\$16,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$160,000

County Type:
Other

Statutory Minimum Wage Requirements:

Base hourly wage: \$10.88

Total hourly compensation: \$12.51

Special Conditions:

Maintain Base Employment: 66

Modifications since preliminary approval?

The company name changed from Park Community Federal Credit Union to Park Community Credit Union, Inc. All other aspects of the project remain the same.

Kentucky Small Business Tax Credit Projects

Project Name	Form #	County	Beginning Employment	Eligible Positions	Average Hourly Wage	Qualifying Equipment or Technology	Tax Credit Amount	Date to KEDFA	Status
<u>August 2016</u>									
Copperhead Environmental Consulting Inc.	21197	GARRARD	9	4	\$15.23	\$16,805	\$14,000	8/25/2016	PENDING
Garret-Stotz Company	21198	JEFFERSON	39	3	\$21.65	\$16,831	\$10,500	8/25/2016	PENDING
Industrial Choice Healthcare, PLLC	21207	MARION	0	1	\$14.00	\$10,980	\$3,500	8/25/2016	PENDING
Inside Out Design, LLC	21199	FRANKLIN	2	1	\$18.27	\$20,450	\$3,500	8/25/2016	PENDING
Kendor Wood, Inc.	21200	GRAVES	36	1	\$13.75	\$5,589	\$3,500	8/25/2016	PENDING
Nicole G. Freels, DPM, PSC	21201	FAYETTE	13	3	\$11.33	\$13,900	\$10,500	8/25/2016	PENDING
Soundtech, Incorporated	21215	FLEMING	1	1	\$25.00	\$25,499	\$3,500	8/25/2016	PENDING
Visual Image Systems Company, LLC	21202	JEFFERSON	39	1	\$14.00	\$24,248	\$3,500	8/25/2016	PENDING
TOTALS	8						\$52,500		

Note: The tax credit amount will be equal to \$3,500 per eligible position, not to exceed the purchase price of qualifying equipment or technology, with a maximum income tax credit of \$25,000 per company for each calendar year. Per KRS 154.60-020, the maximum amount of credits that may be committed in each state fiscal year shall be capped at \$3,000,000. Current fiscal year allocations total \$94,500.

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
IEIA REPORT - PRELIMINARY APPROVAL**

Date: August 25, 2016
Approved Company: Lock 12 Hydro Partners, LLC
City: Ravenna
Activity: Manufacturing
Bus. Dev. Contact: R. Lee

County: Estill
Prelim Resolution #: IEIA-I-16-21231
OFS Staff: D. Goodin

Project Description: Lock 12 Hydro Partners, LLC is considering the construction of a hydroelectric plant in the abandoned lock chambers at Lock 12 on the Kentucky River in Estill County. The company has been involved in the installation of several small hydroelectric plants, including one currently operating on Lock 7 of the Kentucky River. This facility is near Shakertown in Mercer County. All power produced will be sold through a Power Purchase Agreement to Jackson Energy Cooperative.

Facility Details: Locating in a new facility

Anticipated Project Investment

Land
Building (new construction/additions)
Improvements (existing buildings)
Equipment and related costs (including installation)
Other related costs
TOTAL

Total Investment	
	\$2,000,000
	\$400,000
	\$3,500,000
	\$1,900,000
	\$7,800,000

Projected Number of Full Time Jobs to be created
paying average hourly wages, excluding benefits, of:

0
\$0.00

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$250,000

Ownership (20% or more):

Shaker Landing Hydro Associates, Inc.
Louisville, KY

Active State Participation at Project Site:

None

Energy and Environmental Cabinet Review:

The Department of Energy Development and Independence and the University of Kentucky Center for Applied Energy Research has determined the project meets the conditions outlined in the statute.

Department of Revenue Review:

The Department of Revenue has reviewed the application and reports the company is in good standing.

Unemployment Rate

County: 6.0%

Kentucky: 5.4%

Existing Presence in Kentucky:

None

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
IEIA REPORT - PRELIMINARY APPROVAL**

Date: August 25, 2016
Approved Company: Lock 14 Hydro Partners, LLC
City: Heidelberg
Activity: Manufacturing
Bus. Dev. Contact: R. Lee

County: Lee
Prelim Resolution #: IEIA-I-16-21230
OFS Staff: D. Goodin

Project Description: Lock 14 Hydro Partners, LLC is considering the construction of a hydroelectric plant in the abandoned lock chambers at Lock 14 on the Kentucky River in Lee County. The company has been involved in the installation of several small hydroelectric plants, including one currently operating on Lock 7 of the Kentucky River. This facility is near Shakertown in Mercer County. All power produced will be sold through a Power Purchase Agreement to Jackson Energy Cooperative.

Facility Details: Locating in a new facility

Anticipated Project Investment

Land
Building (new construction/additions)
Improvements (existing buildings)
Equipment and related costs (including installation)
Other related costs
TOTAL

Total Investment	
	\$2,000,000
	\$400,000
	\$3,500,000
	\$1,900,000
	\$7,800,000

Projected Number of Full Time Jobs to be created
paying average hourly wages, excluding benefits, of:

0
\$0.00

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$250,000

Ownership (20% or more):

Shaker Landing Hydro Associates, Inc.
Louisville, KY

Active State Participation at Project Site:

None

Energy and Environmental Cabinet Review:

The Department of Energy Development and Independence and the University of Kentucky Center for Applied Energy Research has determined the project meets the conditions outlined in the statute.

Department of Revenue Review:

The Department of Revenue has reviewed the application and reports the company is in good standing.

Unemployment Rate

County: 10.1%

Kentucky: 5.4%

